

California Housing Finance Agency

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New Affordable Family Housing in South Sacramento

Sacramento, July 5, 2005 – A new affordable housing complex will soon be built in the south

Sacramento area, bringing the cost of rental housing within the reach of 80 low income persons

or families living with mental illness. The California Housing Finance Agency (CalHFA) Board of

Directors approved in excess of \$9 million in loans to Mercy Housing California XXVI to

construct 80 units of affordable rental housing for residents with special needs. Additionally, the

residents will be provided supportive services by Turning Point Community Programs.

Construction is scheduled to start in August 2005, with units available for rent beginning around

September 2006.

Those with incomes ranging from 25 to 45 percent of the Sacramento area median income and

who require supportive services will be eligible to live in the new community. Monthly rents will

be calculated not to exceed 30 to 35 percent of the resident's income. In addition, 60 units will

receive federal rental subsidies.

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The 5.34-acre site will be known as Martin Luther King, Jr. Village (MLK Village). When completed, the site will consist of 80 single-story, one-bedroom cottage-style units and a 4,800 square-foot community building. Regional Transit public bus transportation is convenient and provides service throughout the city and county. A variety of retail shops and services are located within two miles.

The CalHFA construction loan package of \$9.335 million provides tax-exempt financing with a variable interest rate for a 15-month, interest-only term. Once construction is complete, CalHFA will also provide \$4 million in permanent, tax-exempt bridge financing for three years with fully amortized payments due annually. Additional funding will be provided by the California Department of Housing and Community Development and the Farmers & Merchants Bank of Central California through the Federal Bank Home Loan Affordable Housing Program.

Established in 1975, the California Housing Finance Agency is celebrating 30 years of providing affordable housing in California. CalHFA has invested over \$13 billion in non-taxpayer funds to help more than 160,000 families purchase a home with a mortgage they can afford or find an affordable rental to call home. Last year, CalHFA's Multifamily Division financed over \$240 million for the construction and permanent financing for new developments, special needs projects, and the preservation of existing affordable rental housing. More information on Multifamily Loan Finance programs and the full complement of CalHFA programs is available at (800) 789-2432 or www.calhfa.ca.gov.